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C O N F I D E N T I A L CARACAS 002309

SIPDIS

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SUBJECT: LACK OF FUNDING WORRIES VENEZUELAN OPPOSITION

Classified By: A/DCM Abelardo A. Arias for reason 1.4 (d).

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SUMMARY  
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1. (C) Coordinadora Democratica (CD) leaders worry they have insufficient funding and time before the recall referendum against President Hugo Chavez scheduled for August 15 to counter Chavez's campaign. CD advisor Jorge Casado told A/DCM July 18 that Chavez appears to be succeeding in projecting the image of a winner, with polls showing him gaining strength. The prime effect on the opposition is that businessmen are reluctant to give money, Casado said, which has limited the Coordinadora's campaign publicity and hampered their ability to mobilize people and show public support. Casado said the political parties and NGOs in the Coordinadora are working at the grassroots, people-to-people, but the fear is that the effort will pale in contrast to Chavez's flood of money and publicity. MAS President told Charge July 20 that, though there appears to be a void in Caracas, opposition leaders such as himself have full schedules, addressing groups usually ranging from 300 to 1,000 people in the interior. Mujica confirmed the opposition's money woes, but suggested that Chavez's flood of spending could backfire on the President. End Summary.

2. (C) Coordinadora Democratica advisor Jorge Casado told A/DCM that the Coordinadora's leadership is worried about how well President Hugo Chavez's campaign is doing. Casado said he had just come from a meeting with Coordinadora chief Miranda State Governor Enrique Mendoza in which they discussed recent poll results. They show:  
--a 12% increase among Chavez sympathizers in willingness to participate in the August 15 vote (attributed to a response to Chavez's call to participate in the electoral battle);  
--a 4% increase in Chavez's core supporters, apparently in direct correlation to a decrease in the undecided "Ni-Nis";  
and  
--a 5% lead by those who are going to participate in the referendum "to give the government a chance (32%) over those who are doing so to get rid of Chavez (27.4%)."

3. (C) Casado noted it is not just the polls that give the sense that Chavez is rising. He said the ubiquitous red T-shirts worn by Chavez supporters catch the eye as the campaign workers work neighborhoods, and the red-and-white posters with the single word "NO" are pervasive in contrast to the lack of "SI" posters. Casado asserted that the Government was paying for strategic, highly visible places to hang posters where the spot was not necessarily controlled by a Chavez sympathizer. Casado said they had also learned that Chavez supporters were paying up to one million Bolivares (\$520) to bus operators to keep units idle rather than rent them to the opposition. Meeting with Charge and A/DCM July 20, Movement to Socialism (MAS) President and Coordinadora negotiator Felipe Mujica was not so convinced of the advantage that the polls appeared to give Chavez. Mujica said he believes that the poll results are skewed because respondents believe the information they give will go to the government, and cited as examples the polls in Chile and Nicaragua giving the governments there the advantage prior to key electoral contests.

4. (C) The prime effect of Chavez's apparent winning tactics on the opposition, according to Casado, is that businessmen are reluctant to donate money and those that do donate, do so in lesser amounts. Casado speculated that the businessmen, unconvinced that there will be a change, do not want to be identified with the opposition should the referendum fail to oust Chavez. He noted, too, that Chavez has attempted to co-opt some business by bringing them into public appearances with him.

5. (C) The lack of financial support has the Coordinadora worried, Casado said. The trend they see is Chavez on the upswing using all the resources of the state available to him, with the Coordinadora flat or on a decline for lack of resources. With four weeks to go before the vote, he said, more funding is essential to heat up the Coordinadora's campaign. Already, Casado said, some events are suffering

such as a rally that he is coordinating in Barinas State, the heart of Chavez country, this weekend. They have had to scale it back by half because of lack of money.

16. (C) A/DCM asked Casado what toll the lack of funding was taking on the individual campaign work of the political parties and NGOs that makeup the Coordinadora. Casado said COPEI, Accion Democratica, MAS, Proyecto Venezuela were all working diligently. He said Sumate had fallen behind by some four days because of problems preparing their contact information.

17. (C) Mujica confirmed that donors, for a variety of reasons, have been reluctant to come forward with financial support. Acknowledging that Chavez is outspending the opposition and can continue to do so, Mujica suggested that the flood of spending could eventually backfire on the President. He also asserted that the government's triumphalism could work against it--both because it can turn people off and because it can lead to political mistakes that can be to the opposition's advantage. Mujica noted that people do sense a void in the opposition's efforts because of inactivity in Caracas. Opposition leaders have their agendas full, however, outside the capital, he said. In his own case, he had addressed groups ranging in size from 300 to 1,000 people nearly every during the past week. He predicted that both sides' campaigns "would get red hot" the after August 8.

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COMMENT  
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18. (C) The contrast between Chavez's campaign and the opposition's is indeed striking. The President dominates the airwaves, using the mandated link-up of all radio and television stations in the country (cadenas) almost daily, and advertisements highlighting his government's programs, at times indistinguishable from advertisements sponsored by his campaign, appear in practically every newspaper. Meanwhile, a Coordinadora representatives appears on one of the country's most highly rated television news-talk shows to inform Chavez opponents about how they can enter a webpage to find material they can individually print at their own expense and distribute. An influx of funds to counter the Chavez campaign trove seems unlikely. The test for the opposition will be how well they can do on the proverbial shoe string and how much strength the "people power" they have enjoyed to date can be sustained.  
McFarland

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